



Department of Defense
DIRECTIVE

ASD (P&L)
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January 8, 1993
NUMBER 4140.25

ASD (P&L)

SUBJECT: DoD Bulk Petroleum Management Policy

- References:**
- (a) DoD Directive 4140.25, "Management of Bulk Petroleum Products, Storage, and Distribution Facilities," May 15, 1980 (hereby canceled)
 - (b) DoD Directive 4220.7, "Bulk Petroleum Supply," June 10, 1987 (hereby canceled)
 - (c) DoD 4140.25-M, "Management of Bulk Petroleum Products, Storage, and Distribution Facilities," July 1988, authorized by DoD Directive 4140.25, May 15, 1980
 - (d) DoD 5025.1-M, "DoD Directives System Procedures," December 1990, authorized by DoD Directive 5025.1, December 23, 1988
 - (e) through (g), see enclosure 1

A. REISSUANCE AND PURPOSE

This Directive:

1. Reissues reference (a) to update policy, responsibilities, and procedures for:
 - a. Managing bulk petroleum products, storage, and associated facilities and establishing bulk petroleum inventory requirements and limitations.
 - b. Minimizing the number and complexity of petroleum fuels required, and increasing the use of commercial fuels, especially outside the continental United States.
2. Replaces reference (b).
3. Continues to authorize the publication of reference (c), in accordance with reference (d).

B. APPLICABILITY AND SCOPE

This Directive applies to:

1. The Office of the Secretary of Defense, the Military Departments (including the Reserve components), the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, and the Defense Agencies (hereafter referred to collectively as "the DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

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2. The DoD Components concerned with bulk petroleum logistics planning and support, and offices that design, develop, purchase, operate, modify, test, or evaluate weapons systems or combat-support equipment, including fuel storage and distribution equipment.

C. POLICY

1. Goal. DoD bulk petroleum programs shall support the DoD peacetime and wartime missions and permit successful deployment and employment of forces at minimum cost.

2. Fuel Standardization. The DoD Components shall minimize the number of bulk petroleum products that must be stocked and distributed, plan to use fuels readily available worldwide, and minimize the military-unique characteristics of DoD fuels. The DoD Components shall plan, program, and budget to design and qualify new systems to use readily available commercial mid-distillate type fuels, under procedures in DoD Instruction 5000.2 (reference (e)).

3. Inventory Levels. The DoD Components shall minimize inventories consistent with peacetime and contingency needs of U.S. military forces worldwide. Inventories shall be categorized as "peacetime operating stock (POS)" and "bulk petroleum war reserve stock (BPWRS)."

4. The POS. POS may be established and held under procedures in DoD 4140.25-M (reference (c)).

5. The BPWRS. The BPWRS shall be in addition to the POS. The BPWRS shall be based on the most demanding requirement for each location. The BPWRS consist of stocks to support deployment and combat operations and is sized to meet requirements until resupply can be effected from a secure source. Sourcing assumptions and BPWRS days of supply factors shall be developed by the Chairman of the Joint Chiefs of Staff and forwarded to the Under Secretary of Defense for Acquisition (USD(A)) for approval.

6. Contributions from Commercial Sources, Host Nations, and Lateral Support between the Commanders in Chief. The DoD Components shall make maximum use of commercial and host-nation sources of supply to meet peacetime and wartime requirements. The Unified Commanders shall plan to make maximum use of available stocks in adjacent theaters to support their respective regional contingency requirements.

D. RESPONSIBILITIES

1. The Under Secretary of Defense for Acquisition shall:

a. Establish policies, grant policy waivers, approve changes in responsibilities for management of bulk petroleum stocks and facilities, and provide procedural guidance to the DoD Components, and ensure their effective implementation.

b. Act as the DoD claimant to the Department of Energy for required petroleum products.

c. Review contingency BPWRS levels recommended by the Chairman of the Joint Chiefs of Staff and establish policy guidance.

2. The Comptroller of the Department of Defense, in coordination with the USD(A), shall establish financial policies and guidance for the management of bulk petroleum.

3. The Secretaries of the Military Departments shall:

a. Provide for the operation of petroleum facilities under their cognizance; control the issue, receipt, and management of stocks at operating locations; plan, program, fund, and perform operation and organizational maintenance of facilities located on their installations in support of their missions; and fund, design, and construct petroleum facilities used solely in support of the Services' petroleum management missions.

b. Implement the fuel standardization policies in subsection C.2., above.

c. Assist the Defense Logistics Agency (DLA) in the selection and assignment of priority to the military construction (MILCON) projects identified for the DLA MILCON program; and provide installation-level technical support for the DLA-funded maintenance, repair, and construction at Service installation-level petroleum facilities.

d. Compute wartime petroleum demands based on Unified Commander operations plans, compute a wartime fuel consumption rate, establish the daily wartime demand profile, and compute the war reserve requirement by location .

e. Provide information on all the BPWRS to the DLA and the Unified Commanders, in accordance with DoD 4140.25-M (reference (c)).

4. The Chairman of the Joint Chiefs of Staff shall:

a. Provide an annual report on host-nation support (HNS) agreements supporting fuel requirements, distributions shortfalls, and the state of negotiations to the USD(A).

b. Recommend to the USD(A) any contingency war reserve stock levels.

c. Prescribe procedures for reporting DoD Component petroleum planning data to alliance or other host-nation authorities involved in combined defense planning.

d. Recommend to the USD(A) changes to the responsibilities in subsections D.5., D.6., and D.7., below.

5. The Commanders of the Unified and Specified Commands shall:

a. Plan for conversion from primary to alternate fuels when necessary.

b. Plan and manage, in coordination with the Director, DLA, the in-theater and inter-theater receipt, storage, and distribution of petroleum products.

c. Assist the DLA in the selecting and prioritizing of the DLA MILCON, qualified maintenance and repair projects for petroleum facilities, and coordinate on the Defense Fuel Supply Center tankage leasing plans and related activities.

d. Ensure that fuel requirements, operations, and constraints are addressed and published in the fuels annex of operations plans.

e. Negotiate formal HNS and coordinate the development and release of combined and/or alliance petroleum planning data.

f. Release or reallocate the DLA-held BPWRS in emergency or war.

6. The Director, Defense Logistics Agency, shall:

a. Execute the integrated materiel management responsibility for bulk petroleum products, including: procurement, ownership, accountability, budgeting, quality surveillance, and distribution of stocks to the point-of-sale at military bases and U.S. Federal facilities worldwide.

(1) Plan, program, budget, and fund facility maintenance and repair, and construction of new permanent storage and associated distribution facilities.

(2) Design and execute maintenance, repair, and construction projects in coordination with the appropriate Military Service and Unified Commander.

(3) Negotiate and conclude international agreements to provide bulk petroleum products, additives, laboratory testing, facilities, pipelines, and any related services, in accordance with DoD Directive 5530.3 and DoD 7220.9-M (references (f) and (g)).

(4) Plan, program, budget, and fund for contract storage and associated services required in support of the DLA bulk petroleum management mission.

b. Develop contingency support plans, in concert with the Unified Commanders, to acquire the necessary petroleum products, storage, and/or services to support military needs.

c. Provide technical support involving military specifications. Coordinate with military technical authorities when operational exigencies require that other-than-specified fuels be used to meet operational requirements.

d. Allocate resources in support of BPWRS requirements, compute peacetime operating stock requirements, and develop an inventory management plan that lists approved inventory levels and uncovered requirements by location.

e. Develop the annual quantity of bulk petroleum war reserves requested for funding in any particular fiscal year.

f. Continuously evaluate the petroleum market and advise the USD(A), the Chairman

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of the Joint Chiefs of Staff, and the Secretaries of the Military Departments of considerations critical to peacetime and wartime operations and planning.

E. PROCEDURES

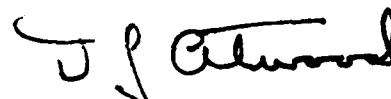
The USD(A) shall publish instructions and procedures necessary to implement this Directive in DoD 4140.25-M (reference (c)).

F. INFORMATION REQUIREMENTS

1. Reporting data requirements for HNS agreements (paragraph D.6.e., above) is assigned Report Control Symbol (RCS) DD-P&L(A)1726.
2. The North Atlantic Treaty Organization reporting requirements are discussed in the North Atlantic Council procedures (AC/12 and AC/112).
3. Reporting data requirements by the Military Services to the DLA are, as follows:
 - a. "Bulk Petroleum Products Slate," RCS: DLA(M)1881(DFSC).
 - b. "Bulk Petroleum Terminal Message Report," RCS: DLA(W)1884(DFSC)MIN.
 - c. "BPWRS for DLA Terminal Storage," RCS: DLA(A)1887(DFSC).
 - d. "Projected Military Service Purchases from DFSC," RCS: DLA(AR)1892(DFSC).
 - e. "Tanker Transportation Requirements Report," RCS: DLA(AR)194(DFSC).

G. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately.


Donald J. Atwood
Deputy Secretary of Defense

Enclosure
References

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REFERENCES, continued

- (e) DoD Instruction 5000.2, "Defense Acquisition Management Policies and Procedures," February 23, 1991.
- (f) DoD Directive 5530.3, "International Agreements," June 11, 1987
- (g) DoD 7220.9-M, "Department of Defense Accounting Manual," October 1983, authorized by DoD Instruction 7220.9, October 22, 1981

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